



# LABOR MARKET INFORMATION TOOLS

## KEY TERMS & DEFINITIONS

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This is the first in a series of tools being developed by the New York City Labor Market Information Service (NYCLMIS). The purpose of the tools is to help workforce development professionals to collect, understand, and use data that will improve their day-to-day operations and strategic decision-making. This tool defines some key classification terms used in labor market analysis.

### KEY TERMS ABOUT ENTERPRISES

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#### Establishment

An establishment is the physical location of economic activity—for example, a factory, store, office, or school. An establishment usually produces a single good or provides a single service. Enterprises (a firm, government agency, or nonprofit organization) may consist of one or many establishments. If there are many establishments within an enterprise, they can be classified into a single industry (e.g., a chain), or into different industries (e.g., a conglomerate).

#### North American Industry Classification System (NAICS)

A standard numerical classification system used to group establishments. Establishments that do similar things in similar ways are classified together. NAICS codes vary in their level of specificity from 20 broad 2-digit categories known as “sectors” to more than 1,000 6-digit “industries.” Workforce professionals should use NAICS to ensure that they are being precise and consistent about their definitions.

#### Sector

The broadest way to group establishments under NAICS. The 20 2-digit NAICS sectors are:

NAICS	SECTOR	NAICS	SECTOR
11	Agriculture, forestry, fishing, hunting	54	Professional, scientific, technical services
21	Mining	55	Management of companies, enterprises
23	Construction	56	Administrative, support; waste management, remediation services
31-33	Manufacturing	61	Educational services
42	Wholesale trade	62	Health care, social assistance
44-45	Retail trade	71	Arts, entertainment, recreation
48-49	Transportation, warehousing	72	Accommodation, food services
51	Information	81	Other services
52	Finance, insurance	92	Public administration
53	Real estate, rental, leasing		

#### Subsector

A grouping of establishments under NAICS category, as identified by a 3-digit NAICS Code. Subsectors are more specific than sectors. For example, the subsectors classified under the Transportation and warehousing sector (NAICS 48-49) are:

NAICS	SUBSECTOR	NAICS	SUBSECTOR
481	Air	486	Pipeline
482	Water	488	Support activities
483	Rail	491	Postal service
484	Truck	492	Couriers and messengers
485	Transit and ground passenger	493	Warehousing and storage

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## Industry Group, NAICS Industry, National Industry

Establishments can be grouped into increasingly specific categories. 4-digit codes describe what are known as industry groups; 5-digit codes describe NAICS industries; and 6-digit codes describe national industries. For example:

NAICS	Classification
51	Information <u>sector</u>
512	Motion picture and sound recording <u>subsector</u>
5121	Motion picture and video <u>industry group</u>
51213	Motion picture and video exhibition <u>NAICS industry</u>
512132	Drive-in motion picture theaters <u>national industry</u>

## KEY TERMS ABOUT JOBS

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### Occupation

A set of activities or tasks that employees are paid to perform. Employees that perform essentially the same tasks are in the same occupation, whether or not they work in the same industry. Some occupations are concentrated in a few industries (e.g., pipe welders); other occupations are found in many industries (e.g., administrative assistants).

### Standard Occupational Classification System (SOC)

A standard numerical classification system used to group workers into occupational categories according to job duties, skills, education, or experience. SOCs vary in specificity: there are 23 major groups, 96 minor groups, 449 broad occupations, and over 800 detailed occupations. The major occupational groups are:

SOC	MAJOR OCCUPATION GROUP	SOC	MAJOR OCCUPATION GROUP
11	Management	35	Food preparation, serving related
13	Business, financial operations	37	Building, grounds cleaning, maintenance
15	Computer, mathematical	39	Personal care, service
17	Architecture, engineering	41	Sales, related
19	Life, physical, social science	43	Office, administrative support
21	Community, social services	45	Farming, fishing, forestry
23	Legal	47	Construction, extraction
27	Education, training, library	49	Installation, maintenance, repair
29	Arts, design, entertainment, sports, media	51	Production
31	Healthcare practitioners, technical healthcare support	53	Transportation, material moving
33	Protective service	55	Military specific

## WHO WE ARE

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The NYCLMIS provides labor market research and information tools for the public workforce system. The service is a joint endeavor of the New York City Workforce Investment Board (WIB) and the Center for Urban Research at the City University of New York Graduate Center.

## CONTACT US

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